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FROM : American Embassy, Tripoli

TO : THE DEPARTMENT OF STATE, WASHINGTON.

January 18, 1956

REF

ACTION		DEPT.	
For Dept.	REC'D	OTHER	DEPARTMENT OF STATE A/CDC/HR
Use Only			

SUBJECT: Libyan-American Reconstruction Commission: Program Status as of
January 1, 1956

JOINT EMBASSY/USOM

The Embassy, USOM forward as Enclosure No. 1 six copies of a progress report from the Office of the Executive Director, Libyan-American Reconstruction Commission (LARC), showing earmarkings, allotments, fund transfers to action agencies, and work actually under way.

The Libyan Council of Ministers has reportedly been much exercised over the delays in execution of the LANC program. In fact, some members of the Council, as well as other Libyan officials, reportedly believe that these delays have been deliberately caused by the Americans so that they can hold up additional aid on the plea that the funds already available have not been spent.

The pace of execution of LARC projects up to the present time has been set largely by the limitations inherent in working with understaffed and inexperienced Libyan governmental agencies. A number of the members of the Council of Ministers have little or no idea of the considerations involved in putting into actual practice in an orderly and competent fashion the measures needed to carry out even the routine tasks of a governmental agency, let alone a relatively large development program. They would be annoyed at the inevitable "delay" even if the staff of Libyan governmental agencies were sufficiently large and competent to cope with all their obligations in the most expeditious manner.

Since these agencies are far from being adequate either in numbers or competence, the LARC projects in most fields will have to be carried out by the Joint Services which are being set up under USOM's reorganization plan. The time required to work out the complex details of operation of the Joint Services at both the Federal and Provincial levels has slowed up the execution of some LARC projects: Others have been delayed by the absence of adequate data, which has required more thorough preliminary investigations of the projects than would otherwise have been needed. Projects are seldom presented to LARC by Libyan governmental agencies adequately planned or investigated to permit immediate execution.

Finally, it is probable that these expressions of dissatisfaction with the progress of the IARC program are a part of the pressure being exerted by the

Cleared with CWBarnes

FK Lundy/lva.

Enc. 1

REPORTER

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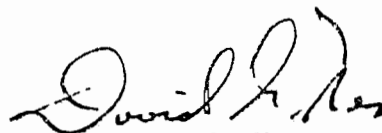
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Libyan Government either to prod the U. S. Government into offers of increased aid or to excuse Libyan acceptance of Soviet offers.

For the Ambassador:



David G. Nes
First Secretary of Embassy

cc: Benghazi
USOM

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LIBYAN-AMERICAN RECONSTRUCTION COMMISSION

PROGRAM STATUS AS OF JANUARY 4, 1956

LIBYAN-AMERICAN RECONSTRUCTION COMMISSION
PROGRAM STATUS AS OF JANUARY 4, 1956

R E C A P I T U L A T I O N

	<u>EARMARKED</u> <u>£L.</u>	<u>ALLOTTED</u> <u>£L.</u>	<u>TRANSFERRED</u> <u>£L.</u>
Agriculture, Forestry & Fisheries	337,250	222,750	54,500
Natural Resources	469,750	276,350	65,190
Education	278,000	106,400	6,000
Health	443,600	343,600	55,000
Public Works	745,000	502,000	55,000
Banks & Special Projects	2,000,000	500,000	500,000
TOTALS	£L. 4,273,600	£L. 1,951,100	£L. 735,690

SUMMARY:

	£L.
Total Earmarked	4,273,600
Total Allotted	1,951,100
Balance Not Allotted	2,322,500
 Total Allotted	 1,951,100
Total Transferred	735,690
Balance Not Transferred	1,215,410

LIBYAN-AMERICAN RECONSTRUCTION COMMISSION
PROGRAM STATUS AS OF JANUARY 4, 1956

PROJECT No.	Name	ACTION AGENCY	EARMARKED		ALLOTTED		TRANSFERRED TO PROJECT	WORK STARTED
			Date	Amount	Date	Amount		
			1955	£L.	1955	£L.	£L.	1955
AGRICULTURE, FORESTRY & FISHERIES								
A1T	Livestock Improvement, Tript.	Naz.of Agr.T.	4/5	15,000	4/5	15,000	5,000	September
A1C	- do - Cyr.	Naz.of Agr.C.	4/5	15,000	4/5	15,000		
A2T	Soil Conserv. & Management Tript.	Naz.of Agr.T.	4/5	20,000	4/5	20,000	6,000	September
A2C	- do - Cyr.	Naz.of Agr.C.	4/5	15,000	4/5	7,500		
A3T	Afforestation, Tripolitania	Naz.of Agr.T.	4/5	44,000	4/5	10,000		
A3C	- do - Cyrenaica	Naz.of Agr.C.	4/5	30,000	4/5	30,000	13,000	September
A5T	Grain Silos	L.P.D. & S.A.	4/5	10,000	4/5	2,500		
A6T	Food Processing & Cold Storage	L.P.D. & S.A.	4/5	10,000	4/5	2,500		
A7T	Training Agriculture Extension, Tript.	Naz.of Agr.T.	4/5	10,000	4/5	7,000		
A7C	- do - Cyr.	Naz.of Agr.C.	4/5	10,000	4/5	6,000	6,000	June & com- pleted Aug.
A8C	Horticultural Nurseries, Cyr.	Naz.of Agr.C.	19/11	6,000	19/11	6,000		* 1.
A9T	Veterinary Services, Tript.	Naz.of Agr.T.	4/5	5,000	4/5	5,000	5,000	September
A9C	- do - Cyr.	Naz.of Agr.C.	4/5	5,000	4/5	5,000		
A10C	Fisheries	L.P.D. & S.A. F.A.O.	4/5	5,000				* 2.
A13F	General Agriculture, Fezzan	Naz.of Agr.F.	4/5	6,000	4/5	6,000	6,000	July
A14T	Stud Centers & Forage Reserves Tript.	Naz.of Agr.T.	1/6	46,000	1/6	38,000		
A15T	Livestock Facilities, Rebuild and New, Tript.	Naz.of Agr.T.	1/6	10,950	1/6	10,950	5,000	September
A16T	Modernize Dairy, Tripolitania	Naz.of Agr.T.	1/6	3,500	1/6	3,500	2,000	September

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P R O J E C T No.	Name	ACTION AGENCY	EARMARKED		ALLOTTED		TRANSFERRED TO PROJECT	WORK STARTED
			Date	Amount	Date	Amount		
			1955	£L.	1955	£L.	£L.	1955
A17C	Wool Washing Plant, Cyr.	Naz.of Agr. C.	1/6	10,000	1/6	10,000	6,500	October
A18C	Land Settlement, Ente Properties, Cyr.	Naz.of Agr. C.	1/6	10,800	17/9	10,800		
A19T	Area Development, Tript.	Naz.of Agr. T.	1/6	50,000	17/9	8,000		
					19/11	4,000		
Sub-Totals				337,250		222,750	54,500	

P R O J E C T		ACTION AGENCY	EARMARKED		ALLOTTED		TRANSFERRED TO PROJECT	WORK STARTED
No.	Name		Date	Amount	Date	Amount		
NATURAL RESOURCES			1955	£L.	1955	£L.	£L.	1955
B1L	Groundwater Investigations & Test Wells	Naz.of P.W. or Naz.of Agr. each Province	4/5	56,000	4/5	36,000	125	* 3.(equip)
B3C:	New Irrigation System Cyr.	Naz.of P.W. Cyr.	1/6	30,000			155	(equip.)
B5T:	Water Spreading, Tript.	Naz.of Agric.T.	4/5	15,000	4/5	15,000)	30,005	August
			1/6	95,000	1/6	40,000)		
B5C	Water Spreading, Cyrenaica	Naz.of Agric.C.	1/6	30,000	1/6	20,000	1,070	(equip.)
B7T:	Irrigation from Springs	Naz.of Agric.T.	4/5	26,000	4/5	26,000	16,125	August
	Wadi Caam, Tript.		1/6	34,000				
B8C	Wadi Gattara	Naz.of P.W. C.	4/5	80,000	4/5	80,000	7,455	August
B9C	Barce Wadi	Naz.of P.W. C.	4/5	20,000	4/5	20,000	6,555	August
B10F	Minerals Investigation Program	Mins. of Nat. Economy	4/5	11,350	4/5	11,350		
B11F	New Irrigation Systems, Fez.	Naz.of Agric.F.	4/5	72,400	4/5	28,000	3,700	August
Sub-Totals				469,750		276,350	65,190	

P R O J E C T		ACTION AGENCY	EARMARKED		ALLOTTED		TRANSFERRED TO PROJECT	WORK STARTED
No.	Name		Date	Amount	Date	Amount		
EDUCATION			1955	£L.	1955	£L.	£L.	1955
C1T	Agriculture Training Center, Tripoli	Naz. of Educ. T.	4/5	30,400	4/5	30,400		
G1C	Secondary School of Trades Benghazi	Naz. of Educ. C.	4/5	33,000	4/5	33,000	6,000	August
C1Ca	El Aweila Secondary School of Agriculture	Naz. of Educ. C.	4/5	13,000	4/5	13,000		
D1F	Agriculture & Crafts, Fezzan	Naz. of Educ. F.	4/5	10,000	4/5	10,000		
O2L	Establishment of University	Ministry of Educ.	4/5	160,000				* 4.
C3F	Rural Education & Craft Training, Fezzan	L.P.D. & S.A. U.N.E.S.C.O.	1/6	12,000	1/6	12,000		* 5.
C4L	Mechanical Statistical Equipment	Mins. of Nat. Economy	19/11	8,000	19/11	8,000		
C5T	Islamic Arts & Crafts School, Tript.	Naz. of Educ. T.	31/12	11,600	31/12	11,600		
Sub-Totals.....				278,000		106,400	6,000	

P R O J E C T		ACTION AGENCY	EARMARKED		ALLOTTED		TRANSFERRED TO PROJECT	WORK STARTED
No.	Name		Date	Amount	Date	Amount		
HEALTH			1955	£L.	1955	£L.	£L.	1955
D1L	Ambulatory	L.A.J.P.H.S.	4/5	43,100	4/5	43,100	4,000	* 6. - Dec.
D2L	Health Training Facilities	-do-	4/5	70,000	4/5	70,000	6,000	December
D3L	Health Laboratory Facilities	-do-	4/5	12,500	4/5	12,500	2,000	December
D4L	Trachoma Equipment	-do-	4/5	25,000	4/5	25,000	10,000	December
D5L	Domestic Water (Rural)	-do-	4/5	77,000	4/5	77,000	15,000	December
D6L	Sanitation (Rural)	-do-	4/5	16,000	4/5	16,000	8,000	December
D7L	Rehabilitation Libyan Hospitals	-do-	1/6	200,000	1/6	100,000	10,000	December
Sub-Totals				443,600		343,600	55,000	

P R O J E C T No.	Name	ESTIMATED	ACTION	EARMARKED		ALLOTTED		TRANSFERRED	WORK
		COST	AGENCY	Date	Amount	Date	Amount	TO PROJECT	STARTED
		£L.		1955	£L.	1955	£L.	£L.	1955
<u>PUBLIC WORKS</u>									
E1C	Benghazi Harbor	2,200,000	LPD&SA	4/5	30,000				* 7.
E2L	Fezzan Road	1,050,000	Mins.of Com.	4/5	20,000				* 8.
E3L	Federal Coast Road	1,710,000	-do-	4/5	210,000	4/5	210,000	30,000	* 9.
E4T	Coastal By-Pass Road	250,000		4/5	125,000	4/5	125,000		* 10.
E7L	Federal Coast Road Bridges	210,000	Mins.of Com.	4/5	10,000	4/5	10,000		
E9T	Flood Control Wadi Megenin	200,000	LPD&SA & Natural Res.	1/6	120,000	1/6	27,000	20,000	* 11.
E10C	Roads & Paths - Sel- mani Resetlmt.	5,000	LPD&SA	1/6	5,000	1/6	5,000	5,000	* 12.
E11L	P.W.D. Workshop Equip.	100,000	Naz.of P.W.	1/6	100,000				
E12L	Telecommunications	400,000	Mins.of Com.	14/9	125,000	15/11	125,000		* 13.
Sub-Totals		6,125,000			745,000		502,000	55,000	

P R O J E C T		ACTION	EARMARKED		ALLOTTED		TRANSFERRED	WORK
No.	Name	AGENCY	Date	Amount	Date	Amount	TO PROJECT	STARTED
			1955	£L.	1955	£L.	£L.	1955
BANKS & SPECIAL PROJECTS								
F1L	National Bank of Libya	National Bank of Libya	4/5	500,000	4/5	500,000	500,000	August
F2L	Agriculture Credit Bank	Agric.Credit Bank	4/5	500,000				
F3T	Tripoli Power Plant	Mins.of Finance	4/5	1,000,000				
Sub-totals				2,000,000		500,000	500,000	
TOTALS				4,273,600		1,951,100	735,690	

January 5, 1956

Program Status as of January 4, 1956

Explanatory Notes

- *1. A8C Ready to start work.
- *2. A10C FAO Specialist requested not available - seeking another.
- *3. B1L At time of allotment in May, 1955 scheduled to start work after January, 1956 for £L.36,000 phase of the work. Remaining £L.20,000 approved for allotment in November 1955.
- *4. C2L No project proposed or request received, for consideration for allotment.
- *5. C3F Some expenditures made, but request for funds not yet received by L.A.R.C.
- *6. Health All Public Health projects include activities in each of the three Provinces. Action Agency Projects is Libyan-American Joint Public Health Services. LAJPHS started work in late 1955. Program is well prepared and work proceeding.
- *7. E1C At time of allotment in May, 1955, scheduled to be considered for allotment when needed, probably February or March 1956, or later. Results of study already under way at that time prerequisite to review by L.A.R.C.
- *8. E2L At time of allotment in May, 1955, this money to be available to supplement other funds in clearing land mines so field surveys could be made. Land mine clearance program is far behind schedule - in fact, not active now.
- *9. E3L In addition, £300,000 has been Earmarked out of L.A.R.C. funds assured for next fiscal year.
- *10. E4T Additional funds required and coordinated plan still to be worked out.
- *11. E9T £L.20,000 allotted to be used in cleaning up and straightening lower stretch of Wadi Megenin, which is a flood control channel. This work was completed in 1955, but request for transfer of funds not yet received by L.A.R.C. £L.7,000 just allotted for work on additional control.
- *12. E10C Work reported to have been completed a few months ago, but request for transfer of funds not yet received by L.A.R.C.
- *13. E12L Tenders are currently being obtained on various phases:-
 - a) Technical Survey (Scatter)
 - b) Tripoli-Misurata Land Line
 - c) HF radio telephone link Tripoli-Benghazi

An additional £175,000 has been Earmarked out of L.A.R.C. funds assured for next fiscal year, making a total of £300,000 to be available through next fiscal year.